

**VILLAGE OF OXFORD  
OAKLAND COUNTY, MICHIGAN**

**REPORT ON FINANCIAL STATEMENTS  
(with required and other supplementary information)**

**YEAR ENDED JUNE 30, 2019**

## TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT .....	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	4-9
BASIC FINANCIAL STATEMENTS.....	10
Government-wide Financial Statements	
Statement of Net Position.....	11
Statement of Activities .....	12
Fund Financial Statements	
Governmental Funds	
Balance Sheet .....	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities .....	16
Proprietary Funds	
Statement of Net Position .....	17
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	18
Statement of Cash Flows .....	19-20
Fiduciary Fund	
Statement of Assets and Liabilities .....	21
Notes to Financial Statements .....	22-45
REQUIRED SUPPLEMENTARY INFORMATION.....	46
General Fund	
Budgetary Comparison Schedule .....	47-48
Major Street Fund	
Budgetary Comparison Schedule .....	49
Defined Benefit Pension Schedules	
Schedule of Changes in Employer's Net Pension Liability and Related Ratios .....	50
Schedule of Employer Contributions.....	51
Notes to Required Supplementary Information.....	52
OTHER SUPPLEMENTARY INFORMATION .....	53
Nonmajor Governmental Funds	
Combining Balance Sheet.....	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	55



## INDEPENDENT AUDITOR'S REPORT

To the Honorable President and  
Members of the Village Council  
Village of Oxford, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Oxford, Michigan (the Village), as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Oxford, Michigan, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and defined benefit pension schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining nonmajor governmental fund financial statements and combining component unit fund financial statements, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor governmental fund financial statements and combining component unit fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental fund financial statements and combining component unit fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2019, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Maney Costeiran PC*

November 27, 2019

## **VILLAGE OF OXFORD MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Village of Oxford's (the "Village") financial performance provides an overview of the Village's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the Village's financial statements.

### **Financial Highlights**

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2019:

- Property tax revenues are the General Fund's largest revenue source. Property tax revenue for the year ended June 30, 2019, was approximately \$1.1 million. The Village's millage rate of 10.62 was the same as the prior year rate, and taxable values were consistent with the prior year.
- The Oakland-Macomb Interceptor Drain Project has created additional special assessments financed by thirty-year drain bonds. The Village of Oxford Sewer Fund owes Oakland County \$1,487,209 at the end of the current year.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The Fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide financial statements by providing information about the Village's most significant funds. The fiduciary fund statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside the government.

**VILLAGE OF OXFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Governmental Activities**

The following tables show, in a condensed format, the current year's net position, and changes in net position compared to the prior year:

	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>Change from Prior Year</u>	
			<u>In Dollars</u>	<u>As a Percent</u>
<b>Assets</b>				
Current assets	\$ 1,473,744	\$ 1,583,594	\$ 109,850	7.45%
Capital assets	<u>3,833,262</u>	<u>3,508,811</u>	<u>(324,451)</u>	-8.46%
Total Assets	5,307,006	5,092,405	(214,601)	-4.04%
<b>Deferred Outflows of Resources</b>	82,823	178,806	95,983	115.89%
<b>Liabilities</b>				
Current liabilities	600,288	475,094	(125,194)	-20.86%
Noncurrent liabilities	<u>1,835,648</u>	<u>1,595,356</u>	<u>(240,292)</u>	-13.09%
Total Liabilities	2,435,936	2,070,450	(365,486)	-15.00%
<b>Deferred Inflows of Resources</b>	126,714	53,454	(73,260)	-57.82%
<b>Net Position</b>				
Net investment in capital assets	2,722,688	2,660,365	(62,323)	-2.29%
Restricted	356,607	585,542	228,935	64.20%
Unrestricted	<u>(252,116)</u>	<u>(98,600)</u>	<u>153,516</u>	-60.89%
	<u>\$ 2,827,179</u>	<u>\$ 3,147,307</u>	<u>\$ 320,128</u>	11.32%

**VILLAGE OF OXFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Governmental Activities**

	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>Change from Prior Year</u>	
			<u>In Dollars</u>	<u>As a Percent</u>
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 449,246	\$ 516,615	\$ 67,369	15.00%
Operating grants and contributions	370,682	408,937	38,255	10.32%
Capital grants and contributions	5,000	-	(5,000)	-100.00%
General revenues				
Property taxes	1,063,207	1,118,652	55,445	5.21%
Local community stabilization	72,581	87,376	14,795	20.38%
State shared revenues	283,930	296,878	12,948	4.56%
Investment earnings and other	328,510	38,545	(289,965)	-88.27%
	<u>2,573,156</u>	<u>2,467,003</u>	<u>(106,153)</u>	<u>-4.13%</u>
<b>Expenses</b>				
General government	518,047	235,507	(282,540)	-54.54%
Public safety	832,358	843,821	11,463	1.38%
Public works	1,091,328	911,431	(179,897)	-16.48%
Community and economic development	28,604	39,878	11,274	39.41%
Recreation and culture	41,298	93,508	52,210	126.42%
Interest on long-term debt	48,158	22,730	(25,428)	-52.80%
	<u>2,559,793</u>	<u>2,146,875</u>	<u>(412,918)</u>	<u>-16.13%</u>
Change in Net Position	<u>\$ 13,363</u>	<u>\$ 320,128</u>	<u>\$ 306,765</u>	<u>-2295.63%</u>

The Village's governmental net position increased 11.32% from a year ago, increasing from approximately \$2.83 million to \$3.15 million.

Total governmental revenues decreased \$106,153 or 4.13%. Charges for services increased by \$67,369 or 15%.

The Village's total governmental expenses decreased approximately \$412,918 or 16.13% from the prior year, as general government expenses decreased by \$282,540 and public works expenses decreased by \$179,897 due to conservative spending and employee positions being filled by qualified and experienced staff reducing the premium paid for specialized contracted services. Also, prior year budget was based on figures provided by former Village Manager(s) and staff. The accounting system went through major changes to improve financial accuracy and reporting.

**VILLAGE OF OXFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Business-type Activities**

The following tables show, in a condensed format, the current year's net position and changes in net position compared to the prior year:

	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>Change from Prior Year</u>	
			<u>In Dollars</u>	<u>As a Percent</u>
<b>Assets</b>				
Current and other assets	\$ 1,501,286	\$ 1,736,864	\$ 235,578	15.69%
Capital assets	<u>6,719,016</u>	<u>6,704,764</u>	<u>(14,252)</u>	-0.21%
Total Assets	8,220,302	8,441,628	221,326	2.69%
<b>Deferred Outflows of Resources</b>	51,497	98,592	47,095	91.45%
<b>Liabilities</b>				
Current liabilities	278,137	155,888	(122,249)	-43.95%
Noncurrent liabilities	<u>3,490,948</u>	<u>3,594,824</u>	<u>103,876</u>	2.98%
Total Liabilities	3,769,085	3,750,712	(18,373)	-0.49%
<b>Deferred Inflows of Resources</b>	25,476	20,097	(5,379)	100.00%
<b>Net Position</b>				
Net investment in capital assets	3,225,044	3,399,178	174,134	5.40%
Restricted	328,004	48,783	(279,221)	-85.13%
Unrestricted	<u>924,190</u>	<u>1,321,450</u>	<u>397,260</u>	42.98%
	<u><u>\$ 4,477,238</u></u>	<u><u>\$ 4,769,411</u></u>	<u><u>\$ 292,173</u></u>	6.53%
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 1,593,191	\$ 1,565,166	\$ (28,025)	-1.76%
General revenues				
Investment earnings, other revenue and transfers	<u>(277,069)</u>	<u>11,046</u>	<u>288,115</u>	103.99%
Total revenue	1,316,122	1,576,212	260,090	19.76%
<b>Expenses</b>				
Water and sewer systems	<u>1,202,255</u>	<u>1,312,639</u>	<u>110,384</u>	9.18%
Change in Net Position	<u><u>\$ 113,867</u></u>	<u><u>\$ 263,573</u></u>	<u><u>\$ 149,706</u></u>	-131.47%

**VILLAGE OF OXFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Business-type Activities**

The Village's business-type activities consist of the Water and Sewer Funds. Total net position of the business-type activities increased \$292,173, or 6.53%, from a year ago. The current year operating income was \$347,631 compared to prior year operating income of \$558,209, due to increased personnel services and contractual services expenses.

**The Village's Funds**

Our analysis of the Village's major funds begins on page 13, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Village as a whole. The Village Council creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax mileages. The Village had three major governmental funds for the current year, the General Fund, Major Street Fund, and Municipal Street Fund.

The General Fund pays for most of the Village's governmental services. However, the most significant governmental service is public safety, which incurred expenditures of approximately \$874,014 in 2019, which was an increase of \$59,606 or 7.3%, from 2018. Total General Fund revenues increased from a year ago by \$144,678, due to increased property taxes and intergovernmental revenues. Total General Fund revenues for 2019 were less than expenditures resulting in a decrease in fund balance of \$7,477. Ending fund balance was \$664,896, of which all was either assigned or unassigned and therefore available for future spending. Unassigned fund balance represents 32.6% of total General Fund expenditures and other financing uses.

The Major Street Fund is used to account for maintenance of the Village's major streets. During the current year, expenditures were slightly decreased compared to the previous year, while intergovernmental revenues increased by approximately \$63,000 compared to the prior year, leading to an increase in fund balance of \$223,748.

The Municipal Street Fund is used to account for debt service for bonds issued for the improvement of the Village streets. During the current year, expenditures within the fund increased due to an increase in debt principal payments.

The Sewer Fund accounts for the activities of the sewage disposal and treatment system. The most significant expense of \$422,718 relates to Oakland County for usage fees. Charges for services decreased slightly from \$818,114 to \$815,554. Net position of the Sewer Fund increased from \$1,276,265 in 2018 to \$1,514,565 because of the increase in charges for services revenues implemented in the prior year. Of the \$1,514,565, \$608,042 was invested in capital assets net of related debt.

The Water Fund accounts for the activities of the water distribution and treatment system. The most significant individual expense in the Water Fund is depreciation expense (\$219,869). Charges for services decreased from \$753,980 to \$740,545. Net position of the Water Fund increased \$54,129 from \$3,037,041 in 2018 to \$3,091,170. The increase is a result of operating income of \$76,374. Of the \$3,091,170 in net position, \$2,791,136 is invested in capital assets and \$48,783 is restricted for debt service payments.

**VILLAGE OF OXFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**General Fund Budgetary Highlights**

Over the course of the year, the Village amended the budget to take into account events during the year. Budget amendments were made as a result of changes in estimates for tax revenues and charges for services. Overall, revenues and other financing sources were greater than the amended budget by \$89,889 and expenditures and other financing uses were also less than the amended budget by \$95,037. General government actual expenditures were \$61,680, less than the amended budget. This can be attributed to a variety of cost saving techniques used by the Village in 2019.

The General Fund budgeted revenue was not amended during fiscal year 2019. General Fund budgeted expenditures were amended by \$193,208 to recognize expenses in increase in staff in fiscal year 2019. In particular, the general government budgeted expenditures for public safety increased by \$58,562 due to hiring of staff.

**Capital Asset and Debt Administration**

The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounted to \$10,213,575, net of accumulated depreciation. This investment in capital assets includes land, buildings, police equipment, and the water and sewer system. Significant current year additions to capital assets included purchasing a police vehicle. Additional details related to capital assets are provided in Note 4 to the financial statements.

As of June 30, 2019, the Village's primary government had total long-term obligations outstanding of \$4,215,683. The outstanding obligations consist of capital improvement bonds, accrued compensated absences, and contractual obligations to the County for the Village's share of drain bonds. More detailed information concerning long-term debt can be found in Note 5 to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

There are several economic factors that will challenge the Village in the next several years. These include slow increase rate of state revenue sharing allocations, health insurance increases, pension costs increase funding requirements, increase water usage and other revenues to maintain rates at current levels, and assessed property tax values from increased development investments. These factors were considered in the preparation of the Village's fiscal year 2019-2020 budget. In addition, the Village Council is currently monitoring, and will evaluate and respond as necessary, to various upcoming State legislation regarding pension plans, employer provided health care and other changes.

**Contacting the Village's Management**

The financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Village office.

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF OXFORD**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	Primary Government			Component Unit (DDA)
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets				
Cash, cash equivalents, and pooled investments	\$ 1,529,534	\$ 1,288,719	\$ 2,818,253	\$ 368,433
Restricted cash and cash equivalents	-	48,783	48,783	-
Receivables, net	44,030	235,686	279,716	7,758
Internal balances	(163,676)	163,676	-	-
Due from other governmental units	173,706	-	173,706	-
<b>Total current assets</b>	<b>1,583,594</b>	<b>1,736,864</b>	<b>3,320,458</b>	<b>376,191</b>
Noncurrent assets				
Capital assets not being depreciated	553,448	709,744	1,263,192	1,395,050
Capital assets being depreciated, net	2,955,363	5,995,020	8,950,383	587,712
<b>Total noncurrent assets</b>	<b>3,508,811</b>	<b>6,704,764</b>	<b>10,213,575</b>	<b>1,982,762</b>
<b>TOTAL ASSETS</b>	<b>5,092,405</b>	<b>8,441,628</b>	<b>13,534,033</b>	<b>2,358,953</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	178,806	67,231	246,037	-
Deferred charges on refunding	-	31,361	31,361	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>178,806</b>	<b>98,592</b>	<b>277,398</b>	<b>-</b>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	89,768	43,881	133,649	4,897
Accrued liabilities	23,353	5,921	29,274	-
Accrued interest payable	3,092	9,982	13,074	989
Unearned revenue	2,467	-	2,467	7,415
Current portion of compensated absences	57,968	3,684	61,652	-
Current portion of long-term debt	298,446	92,420	390,866	71,508
<b>Total current liabilities</b>	<b>475,094</b>	<b>155,888</b>	<b>630,982</b>	<b>84,809</b>
Noncurrent liabilities				
Net pension liability	1,045,356	381,658	1,427,014	-
Noncurrent portion of long-term debt	550,000	3,213,166	3,763,166	569,099
<b>Total noncurrent liabilities</b>	<b>1,595,356</b>	<b>3,594,824</b>	<b>5,190,180</b>	<b>569,099</b>
<b>TOTAL LIABILITIES</b>	<b>2,070,450</b>	<b>3,750,712</b>	<b>5,821,162</b>	<b>653,908</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	53,454	20,097	73,551	-
<b>NET POSITION</b>				
Net investment in capital assets	2,660,365	3,399,178	6,059,543	1,342,155
Restricted for streets and highways	585,542	-	585,542	-
Restricted for debt service	-	48,783	48,783	-
Unrestricted	(98,600)	1,321,450	1,222,850	362,890
<b>TOTAL NET POSITION</b>	<b>\$ 3,147,307</b>	<b>\$ 4,769,411</b>	<b>\$ 7,916,718</b>	<b>\$ 1,705,045</b>

See accompanying notes to financial statements.

**VILLAGE OF OXFORD  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Expenses	Program Revenues			Primary Government			Component Unit (DDA)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
Governmental activities								
General government	\$ 235,507	\$ 56,212	\$ -	\$ -	\$ (179,295)	\$ -	\$ (179,295)	\$ -
Public safety	843,821	152,680	1,033	-	(690,108)	-	(690,108)	-
Public works	911,431	225,793	407,904	-	(277,734)	-	(277,734)	-
Community and economic development	39,878	81,930	-	-	42,052	-	42,052	-
Recreation and culture	93,508	-	-	-	(93,508)	-	(93,508)	-
Interest on long-term debt	22,730	-	-	-	(22,730)	-	(22,730)	-
<b>Total governmental activities</b>	<b>2,146,875</b>	<b>516,615</b>	<b>408,937</b>	<b>-</b>	<b>(1,221,323)</b>	<b>-</b>	<b>(1,221,323)</b>	<b>-</b>
Business-type activities								
Sewer	583,351	815,554	-	-	-	232,203	232,203	-
Water	729,288	749,612	-	28,600	-	48,924	48,924	-
<b>Total business-type activities</b>	<b>1,312,639</b>	<b>1,565,166</b>	<b>-</b>	<b>28,600</b>	<b>-</b>	<b>281,127</b>	<b>281,127</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 3,459,514</b>	<b>\$ 2,081,781</b>	<b>\$ 408,937</b>	<b>\$ 28,600</b>	<b>(1,221,323)</b>	<b>281,127</b>	<b>(940,196)</b>	<b>-</b>
<b>Component unit</b>								
Downtown Development Authority	\$ 427,328	\$ -	\$ 15,889	\$ -	-	-	-	(411,439)
<b>General revenues</b>								
Property taxes					1,118,652	-	1,118,652	406,311
Local community stabilization					87,376	-	87,376	-
State shared revenues					296,878	-	296,878	-
Investment earnings					10,346	11,046	21,392	4,229
Other					28,199	-	28,199	-
<b>Total general revenues</b>					<b>1,541,451</b>	<b>11,046</b>	<b>1,552,497</b>	<b>410,540</b>
Change in net position					320,128	292,173	612,301	(899)
Net position, beginning of year					2,827,179	4,477,238	7,304,417	1,705,944
Net position, end of year					<b>\$ 3,147,307</b>	<b>\$ 4,769,411</b>	<b>\$ 7,916,718</b>	<b>\$ 1,705,045</b>

See accompanying notes to financial statements.

**VILLAGE OF OXFORD  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2019**

	General Fund	Major Street Fund	Municipal Street Fund	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Pooled cash, cash equivalents, and investments	\$ 615,496	\$ 451,655	\$ -	\$ 135,402	\$ 1,202,553
Taxes receivable, net	4,319	-	-	-	4,319
Accounts receivable	38,276	-	-	-	38,276
Other receivables	622	418	-	116	1,156
Due from other governmental units	111,816	45,743	-	16,147	173,706
<b>TOTAL ASSETS</b>	<b>\$ 770,529</b>	<b>\$ 497,816</b>	<b>\$ -</b>	<b>\$ 151,665</b>	<b>\$ 1,420,010</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 82,305	\$ 4,694	\$ -	\$ 1,850	\$ 88,849
Accrued liabilities	21,536	385	-	416	22,337
Unearned revenue	1,092	1,016	-	359	2,467
Other payables	700	-	-	-	700
<b>TOTAL LIABILITIES</b>	<b>105,633</b>	<b>6,095</b>	<b>-</b>	<b>2,625</b>	<b>114,353</b>
<b>FUND BALANCES</b>					
Restricted					
Streets and highways	-	491,721	-	93,821	585,542
Assigned					
Infrastructure improvements	-	-	-	55,219	55,219
Subsequent year's expenditures	43,232	-	-	-	43,232
Unassigned	621,664	-	-	-	621,664
<b>TOTAL FUND BALANCES</b>	<b>664,896</b>	<b>491,721</b>	<b>-</b>	<b>149,040</b>	<b>1,305,657</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 770,529</b>	<b>\$ 497,816</b>	<b>\$ -</b>	<b>\$ 151,665</b>	<b>\$ 1,420,010</b>

See accompanying notes to financial statements.

**VILLAGE OF OXFORD  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

**Total fund balances - governmental funds** \$ 1,305,657

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

The cost of capital assets is	\$ 14,628,051	
Accumulated depreciation is	<u>(11,260,862)</u>	
Capital assets, net		3,367,189

An internal service fund is used by management to charge the costs of certain activities to individual funds. A portion of the assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position. 303,971

Governmental funds report actual pension expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability as of the measurement date. Pension contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources related to pensions	178,806	
Deferred inflows of resources related to pensions	<u>(53,454)</u>	
		125,352

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:

Accrued interest payable	(3,092)	
Bonds payable	(848,446)	
Net pension liability	(1,045,356)	
Compensated absences	<u>(57,968)</u>	
		<u>(1,954,862)</u>

**Net position of governmental activities** \$ 3,147,307

**VILLAGE OF OXFORD  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2019**

	General Fund	Major Street Fund	Municipal Street Fund	Nonmajor Governmental Funds	Total
<b>REVENUES</b>					
Property taxes	\$ 1,118,652	\$ -	\$ -	\$ -	\$ 1,118,652
Licenses and permits	73,212	-	-	-	73,212
Intergovernmental	460,447	333,234	-	104,333	898,014
Charges for services	235,239	-	-	-	235,239
Fines and forfeitures	84,477	-	-	-	84,477
Interest and rentals	7,435	2,415	-	592	10,442
Other	53,772	-	-	-	53,772
<b>TOTAL REVENUES</b>	<b>2,033,234</b>	<b>335,649</b>	<b>-</b>	<b>104,925</b>	<b>2,473,808</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government	242,797	-	-	-	242,797
Public safety	874,014	-	-	-	874,014
Public works	482,968	111,901	-	99,477	694,346
Community and economic development	26,773	-	-	-	26,773
Recreation and culture	96,139	-	-	-	96,139
Other	22,326	-	-	-	22,326
Debt service	-	-	296,026	-	296,026
<b>TOTAL EXPENDITURES</b>	<b>1,745,017</b>	<b>111,901</b>	<b>296,026</b>	<b>99,477</b>	<b>2,252,421</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>288,217</b>	<b>223,748</b>	<b>(296,026)</b>	<b>5,448</b>	<b>221,387</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	295,694	-	295,694
Transfers out	(295,694)	-	-	-	(295,694)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(295,694)</b>	<b>-</b>	<b>295,694</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(7,477)</b>	<b>223,748</b>	<b>(332)</b>	<b>5,448</b>	<b>221,387</b>
Fund balances, beginning of year	672,373	267,973	332	143,592	1,084,270
Fund balances, end of year	<u>\$ 664,896</u>	<u>\$ 491,721</u>	<u>\$ -</u>	<u>\$ 149,040</u>	<u>\$ 1,305,657</u>

See accompanying notes to financial statements.

**VILLAGE OF OXFORD**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2019**

**Net change in fund balances - total governmental funds** \$ 221,387

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 43,413	
Depreciation expense	<u>(321,813)</u>	
Excess of depreciation expense over capital outlay		(278,400)

Repayment of long-term debt is reported as expenditures in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Debt principal retirement		262,128
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An internal service fund is used by management to charge the costs of certain equipment usage to individual funds. A portion of the change in net position of the internal service fund attributable to those funds is reported with governmental activities.

(475)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in accrued interest payable	11,168	
(Increase) in net pension liability	(58,154)	
Increase in deferred outflows of resources related to pensions	95,983	
Decrease in deferred inflows of resources related to pensions	73,260	
(Increase) in accrued compensated absences	<u>(6,769)</u>	

115,488

**Change in net position of governmental activities** **\$ 320,128**

**VILLAGE OF OXFORD  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
<b>ASSETS</b>				
Current assets				
Pooled cash, cash equivalents, and investments	\$ 934,699	\$ 354,020	\$ 1,288,719	\$ 326,981
Restricted cash and cash equivalents	-	48,783	48,783	-
Accounts receivable, net	121,668	114,018	235,686	279
Total current assets	1,056,367	516,821	1,573,188	327,260
Noncurrent assets				
Capital assets not being depreciated	352,372	357,372	709,744	-
Capital assets being depreciated, net	1,972,946	4,022,074	5,995,020	141,622
Total noncurrent assets	2,325,318	4,379,446	6,704,764	141,622
<b>TOTAL ASSETS</b>	<b>3,381,685</b>	<b>4,896,267</b>	<b>8,277,952</b>	<b>468,882</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	21,050	46,181	67,231	-
Deferred charges on refunding	-	31,361	31,361	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>21,050</b>	<b>77,542</b>	<b>98,592</b>	<b>-</b>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	35,238	8,643	43,881	919
Accrued wages	261	574	835	316
Accrued interest payable	9,982	-	9,982	-
Other accrued liabilities	-	5,086	5,086	-
Unearned revenue	-	-	-	-
Current portion of compensated absences	1,172	2,512	3,684	-
Current portion of bonds payable	92,420	-	92,420	-
Total current liabilities	139,073	16,815	155,888	1,235
Noncurrent liabilities				
Noncurrent portion of bonds payable	1,624,856	1,588,310	3,213,166	-
Net pension liability	117,949	263,709	381,658	-
Total noncurrent liabilities	1,742,805	1,852,019	3,594,824	-
<b>TOTAL LIABILITIES</b>	<b>1,881,878</b>	<b>1,868,834</b>	<b>3,750,712</b>	<b>1,235</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	6,292	13,805	20,097	-
<b>NET POSITION</b>				
Net investment in capital assets	608,042	2,791,136	3,399,178	141,622
Restricted for debt service	-	48,783	48,783	-
Unrestricted	906,523	251,251	1,157,774	326,025
<b>TOTAL NET POSITION</b>	<b>\$ 1,514,565</b>	<b>\$ 3,091,170</b>	<b>4,605,735</b>	<b>\$ 467,647</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			163,676	
<b>NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>			<b>\$ 4,769,411</b>	

See accompanying notes to financial statements.

**VILLAGE OF OXFORD  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET POSITION  
 YEAR ENDED JUNE 30, 2019**

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$ 815,554	\$ 740,545	\$ 1,556,099	\$ 108,039
Miscellaneous	-	9,067	9,067	-
<b>TOTAL OPERATING REVENUES</b>	<b>815,554</b>	<b>749,612</b>	<b>1,565,166</b>	<b>108,039</b>
<b>OPERATING EXPENSES</b>				
Personnel services	45,970	222,282	268,252	35,379
Contractual services	429,331	102,387	531,718	3,530
Insurance	2,675	11,771	14,446	8,026
Equipment rental	4,437	13,093	17,530	461
Repairs and maintenance	-	1,175	1,175	8,778
Supplies	654	63,500	64,154	10,253
Utilities	-	39,161	39,161	-
Depreciation	61,230	219,869	281,099	46,051
<b>TOTAL OPERATING EXPENSES</b>	<b>544,297</b>	<b>673,238</b>	<b>1,217,535</b>	<b>112,478</b>
<b>OPERATING INCOME (LOSS)</b>	<b>271,257</b>	<b>76,374</b>	<b>347,631</b>	<b>(4,439)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest and investment revenue	5,969	5,077	11,046	3,708
Capital charges	-	28,600	28,600	-
Interest expense	(37,875)	(54,466)	(92,341)	-
Other expense	(1,051)	(1,456)	(2,507)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(32,957)</b>	<b>(22,245)</b>	<b>(55,202)</b>	<b>3,708</b>
<b>CHANGE IN NET POSITION</b>	<b>238,300</b>	<b>54,129</b>	<b>292,429</b>	<b>(731)</b>
Net position, beginning of year	1,276,265	3,037,041		468,378
Net position, end of year	<u>\$ 1,514,565</u>	<u>\$ 3,091,170</u>		<u>\$ 467,647</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(256)	
<b>CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>			<u>\$ 292,173</u>	

See accompanying notes to financial statements.

**VILLAGE OF OXFORD  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 2019**

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers	\$ 809,196	\$ 750,957	\$ 1,560,153	\$ 108,151
Cash paid to suppliers	(439,807)	(245,335)	(685,142)	(33,284)
Cash paid for employee services and benefits	(45,133)	(88,452)	(133,585)	(35,242)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>324,256</b>	<b>417,170</b>	<b>741,426</b>	<b>39,625</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Payments from other funds	1,302	32,802	34,104	797
Payments to other funds	-	(77,716)	(77,716)	-
Other	(1,051)	(1,456)	(2,507)	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>251</b>	<b>(46,370)</b>	<b>(46,119)</b>	<b>797</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal paid on capital debt	(81,508)	(336,945)	(418,453)	-
Interest paid on capital debt	(37,295)	(55,216)	(92,511)	-
Acquisition and construction of capital assets	-	(36,780)	(36,780)	-
Capital charges	-	28,600	28,600	-
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(118,803)</b>	<b>(400,341)</b>	<b>(519,144)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	5,969	5,077	11,046	3,708
<b>NET INCREASE IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS</b>	<b>211,673</b>	<b>(24,464)</b>	<b>187,209</b>	<b>44,130</b>
Restated pooled cash, cash equivalents, and investments, beginning of year	723,026	427,267	1,150,293	282,851
Pooled cash, cash equivalents, and investments, end of year	<u>\$ 934,699</u>	<u>\$ 402,803</u>	<u>\$ 1,337,502</u>	<u>\$ 326,981</u>

See accompanying notes to financial statements.

**VILLAGE OF OXFORD  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS (continued)  
 YEAR ENDED JUNE 30, 2019**

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 271,257	\$ 76,374	\$ 347,631	\$ (4,439)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	61,230	219,869	281,099	46,051
(Increase) decrease in:				
Accounts receivable	(6,358)	1,345	(5,013)	112
Deferred outflow of resources related to pensions	(12,724)	(34,371)	(47,095)	-
Increase (decrease) in:				
Accounts payable	(2,710)	(14,248)	(16,958)	(2,236)
Accrued wages	128	155	283	137
Compensated absences	1,172	2,512	3,684	-
Net pension liability	18,707	164,467	183,174	-
Deferred inflow of resources related to pensions	(6,446)	1,067	(5,379)	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 324,256</b>	<b>\$ 417,170</b>	<b>\$ 741,426</b>	<b>\$ 39,625</b>

**VILLAGE OF OXFORD  
FIDUCIARY FUND  
STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 2019**

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	<u>\$    16,862</u>
LIABILITIES	
Due to individuals and agencies	<u>\$    16,862</u>

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Oxford (the Village) is located in Oakland County, Michigan. The Village of Oxford operates with a Village Manager/Council form of government and provides services to its residents in many areas including general government, law enforcement, highways and streets, and utilities services.

The Village has five Village Council members, who are elected at-large every two years for overlapping four-year terms. A full-time Village Manager is appointed by the Village Council to carry out the policies that are established.

The financial statements of the Village have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Village's more significant accounting policies are described below.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the Village of Oxford (primary government) and its component unit. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Village.

The inclusion of the activities of various agencies is based on the manifestation of oversight criteria, relying on such guidelines as the selection of the governing authority, the designation of management, the ability to exert significant influence on operations, and the accountability for fiscal matters. The accountability for fiscal matters considers the possession of the budgetary authority, the responsibility for surplus or deficit, the controlling of fiscal management, and the revenue characteristics, whether a levy or a charge. Consideration is also given to the scope of public service. The scope of public service considers whether the activity is for the benefit of the reporting entity and/or its residents and is within the geographic boundaries of the reporting entity and generally available to its citizens.

Based upon the application of these criteria, the financial statements of the Village of Oxford contain all the funds controlled by the Village Council.

Discretely Presented Component Unit

The component unit is reported in a separate column to emphasize that, while legally separate, the Village remains financially accountable for this entity or the nature and significance of the relationship between the entity and the Village is such that exclusion of the entity would render the financial statements misleading or incomplete. The financial statements contain the following discretely presented component unit:

Downtown Development Authority - The members of the governing board of the Downtown Development Authority (DDA) are appointed by the Village Council. The Village Council approves the DDA's annual budget and any required budget amendments. The Village Council also has the ability to significantly influence operations of the DDA. The DDA is included in the Village's audited financial statements and is not audited separately.

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Jointly Governed Entities

North Oakland Transportation Authority - The Authority serves the transportation needs of the residents of northern Oakland County, which includes Addison Township, Orion Township, Oxford Township, Village of Lake Orion, Village of Leonard, and the Village of Oxford. Each member community, including the Village, appoints one member of the Authority's board, which votes to approve the budget as prepared by the Authority's management.

Polly Ann Trail Management Council - The Council manages the Polly Ann Trail, which is a 14.2-mile-long non-motorized trail that runs through the member communities of Orion Township, Oxford Township, the Village of Oxford, Addison Township, and the Village of Leonard. The Village appoints one member of the Council, which votes to approve the budget as prepared by the Council's management. As part of the terms of the intergovernmental agreement, the Village contributes a portion of its trail way non-motorized funds from the Major Street Fund, which came to \$2,302 during the fiscal year.

Oxford Area Cable Communications Commission - The Commission is a nonprofit organization that seeks to enhance communications and networking in the member communities of Oxford Township, Addison Township, Village of Leonard, and Village of Oxford. The Commission achieves this mission by operating the Oxford Community Television channel, which is a public, educational, and governmental (PEG) channel. The Village appoints one member of the Commission, which votes to approve the budget as prepared by the Commission's management. As part of the terms of the intergovernmental agreement, the Village contributed cable franchise fees to the Commission in the amount of \$9,592 during the fiscal year.

Basis of Presentation

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component unit as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements). For the most part, interfund activity has been eliminated in the preparation of these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents the direct functional expenses of the primary government and its component unit and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS

The fund financial statements present the Village's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds and proprietary funds. The major individual governmental fund and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

- a. The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.
- b. The Major Street Fund accounts for the financial resources that are used for repairs and maintenance of the Village's major streets.
- c. The Municipal Street Fund accounts for the financial resources related to the debt service for bonds issued for the improvement of the Village streets.

The Village reports the following major enterprise funds:

- a. The Sewer Fund is used to account for the activities of the Village's sewage disposal and sewage treatment system. The costs (expenses, including depreciation) are financed or recovered primarily through user charges.
- b. The Water Fund is used to account for the activities of the Village's water distribution and water treatment system. The costs (expenses, including depreciation) are financed or recovered primarily through user charges.

The Village also reports an internal service fund to account for the costs associated with the Village's vehicle fleet, which is the Motor Equipment Fund.

The Village also reports an agency fund to account for funds held for other governments in an agency capacity.

Measurement Focus

The government-wide and proprietary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

There is no measurement focus for the fiduciary agency fund since assets equal liabilities.

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both “measurable” and “available to finance expenditures of the current period”). The length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues that are considered measurable but not available are recorded as a receivable and unavailable revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. If/when both restricted and unrestricted resources are available for use, it is the Village’s policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

The General Fund budget shown as required supplementary information was prepared on the same modified accrual basis used to reflect actual results. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. The Village employs the following procedures in establishing the budgetary data reflected in the financial statements.

- a. The Village requires the Village Manager to submit an estimate of revenues and anticipated expenditures for the succeeding fiscal year in June of each year. The Village Manager is then authorized to assign and transfer budget amounts within each fund to the extent that the net total fund appropriation (which the Village defines as gross authorized expenditures less related revenues that are specifically designated to fund those activities) is not exceeded. Village Council approval is required for any budgetary changes that result in an increase to net appropriations.
- b. The budget is legally adopted at the activity level for the General Fund and total expenditure level for the Special Revenue Funds; however, they are maintained at the account level for control purposes.
- c. The Village does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. Appropriations unused at June 30 are not carried forward to the following fiscal year.

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Budgets and Budgetary Accounting (continued)

- d. Budgeted amounts are reported as originally adopted or amended by the Village Council during the year. Individual amendments were appropriately approved by the Village Council as required.

Pooled cash, Cash Equivalents, and Investments

The Village pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts are available to meet current operating requirements.

Cash consists of checking, savings, and money market accounts. Cash equivalents consist of temporary investments in mutual funds. Cash equivalents are stated at cost, which approximates fair value. Investments consist of monies held in a pooled investment account, which is administered by a third party.

Restricted Cash and Cash Equivalents

Certain proceeds of the Village's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The cash is held in a pooled investment account, which is administered by a third party.

Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan or other governments for various payments and grants.

Receivables

Receivables consist of amounts due related from individuals and businesses related to charges for services, interest receivable, special assessments receivable, taxes levied that have not been collected, and other amounts owed to the Village at year-end. An allowance for doubtful accounts has been accrued for delinquent taxes receivable more than three years old.

Property Tax

The Village of Oxford bills and collects its own property taxes. The Village's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph:

Property taxes are levied by the Village of Oxford on July 1 on the taxable valuation of property located in the Village as of the preceding December 31 (the lien date) and are payable without penalty through August 31. All real and personal property taxes not paid to the Village by February 28 are turned over to the Oakland County Treasurer for collection. Delinquent personal property taxes receivable are remitted to the Village upon subsequent collection. Village property tax revenues are recognized as revenues in the fiscal year levied.

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property Tax (continued)

The Village is permitted by charter to levy taxes up to 20 mills (\$20 per \$1,000 of taxable valuation) for general governmental services. For the year ended June 30, 2019, the Village levied 10.62 mills per \$1,000 of taxable valuation for general governmental services. The total taxable value for the 2018 levy for property within the Village was \$121,985,590.

Prepays

Prepaid expenditures in the governmental funds, such as insurance premiums, which are expected to be written off within the next fiscal year, are included in net current assets. Reported prepaid expenditures are equally offset by nonspendable fund balance which indicates they do not constitute "available spendable resources" even though they are a component of net current assets.

Unearned Revenue

The Village defers revenue recognition in connection with resources that have been received but not yet earned.

Compensated Absences

Village employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation and sick time, subject to certain limitations. Sick time pay is accrued at 50% of earned and unused leave hours for employees in the government-wide financial statements.

Interfund Transactions

During the course of normal operations, the Village has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental, enterprise, and component unit funds are netted as part of the reconciliation to the government-wide financial statements.

Capital Assets

Capital assets are recorded (net of accumulated depreciation, if applicable) in the financial statements under the governmental activities, business-type activities, and component unit columns. Capital assets are those with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition cost on the date received. The Village has chosen to retroactively report infrastructure assets.

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital Assets (continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	5 - 25 years
Buildings	5 - 25 years
Vehicles	2 - 10 years
Office equipment and furniture	5 - 10 years
Public domain infrastructure	15 - 25 years
Water and sewer transmission and distribution	10 - 40 years
Machinery and equipment	5 - 10 years

Long-term Obligations

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as noncurrent.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will, when applicable, report separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Village has several items that qualify for reporting in these categories and are reported in the statement of net position. These items correspond to the Village's net pension liability and are related to differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension plan investments, and contributions subsequent to the measurement date.

The Village also reports deferred outflows of resources related to charges associated with bond refunding.

Restricted Net Position

Restrictions of net position shown in the financial statements indicate restrictions that have been imposed by outside sources which preclude a portion of net position from their use for unrestricted purposes.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Tax Abatements

The Village's tax revenues have been reduced by tax abatements. Management has determined these amounts to be immaterial to the financial statements.

Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

In accordance with Michigan Compiled Laws, the Village is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Deposits of the Village are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Village. There is a custodial credit risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. As of June 30, 2019, the carrying amounts of the Village's deposits were \$1,523,847 and the bank balance was \$1,543,384, of which \$283,346 was insured by federal depository insurance. The balance of \$1,260,038 was uninsured and uncollateralized. The financial statements include \$300 of imprest cash.

Due to significantly higher cash flow at certain periods during the year, the amount the Village held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year-end.

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS (continued)**

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). At June 30, 2019, the Village did not hold any investments subject to rating.

Interest Rate Risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. The Village's investment policy does not have specific limits in excess of State law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. The Village's investment policy does not have specific limits in excess of State law on concentration of credit risk.

Custodial Credit Risk

Custodial credit risk is the risk of loss due to the failure of the security issuer or backer. State law does not require, and the Village does not have a policy for custodial credit risk.

Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Village's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments in Entities that Calculate Net Asset Value per Share

The Village holds shares or interests in an investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS (continued)**

Investments in Entities that Calculate Net Asset Value per Share (continued)

At the year ended June 30, 2019, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Oakland County Government Investment Pool	\$ 1,728,184	\$ -	No restrictions	None

The deposits and investments referred to above have been reported in the cash and cash equivalents, restricted cash and cash equivalents, or investments captions on the basic financial statements, based upon criteria disclosed in Note 1. The following summarizes the categorization of these amounts as of June 30, 2019:

	Primary Government	Fiduciary Fund	Component Unit	Reporting Entity
Pooled cash, cash equivalents and investments	\$ 2,818,253	\$ 16,862	\$ 368,433	\$ 3,203,548
Restricted cash and cash equivalents	48,783	-	-	48,783
	\$ 2,867,036	\$ 16,862	\$ 368,433	\$ 3,252,331

**NOTE 3 - INTERFUND TRANSFERS**

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Transfers to Municipal Street Fund from:	
General Fund	\$ 295,694

Transfers are used to move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The transfer from the General Fund to the Municipal Street Fund was for debt service payments.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019, was as follows:

**PRIMARY GOVERNMENT**

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 553,448	\$ -	\$ -	\$ 553,448
Capital assets being depreciated				
Buildings	1,507,958	-	-	1,507,958
Land improvements	25,428	-	-	25,428
Street lighting	70,550	-	-	70,550
Equipment and furniture	1,126,256	-	-	1,126,256
Vehicles	871,838	43,413	(27,277)	887,974
Infrastructure	<u>12,245,388</u>	<u>-</u>	<u>-</u>	<u>12,245,388</u>
Total capital assets being depreciated	15,847,418	43,413	(27,277)	15,863,554
Less accumulated depreciation for:				
Buildings	(1,247,940)	(49,888)	-	(1,297,828)
Land improvements	(22,885)	(2,543)	-	(25,428)
Street lighting	(70,550)	-	-	(70,550)
Equipment and furniture	(1,024,311)	(25,060)	-	(1,049,371)
Vehicles	(745,224)	(22,480)	16,764	(750,940)
Infrastructure	<u>(9,456,694)</u>	<u>(257,380)</u>	<u>-</u>	<u>(9,714,074)</u>
Total accumulated depreciation	<u>(12,567,604)</u>	<u>(357,351)</u>	<u>16,764</u>	<u>(12,908,191)</u>
Net capital assets being depreciated	<u>3,279,814</u>	<u>(313,938)</u>	<u>(10,513)</u>	<u>2,955,363</u>
Total net capital assets	<u>\$ 3,833,262</u>	<u>\$ (313,938)</u>	<u>\$ (10,513)</u>	<u>\$ 3,508,811</u>

Depreciation expense was charged to the following governmental activities:

General government	\$ 29,566
Public safety	32,326
Public works	303,429
Community and economic development	<u>2,543</u>
	<u>\$ 367,864</u>

The current period depreciation expense of \$357,351 has been adjusted by \$10,513 for the loss on disposal of capital assets during the period, in accordance with GASB Statement No. 34 implementation guide which states that immaterial losses may be handled as an adjustment to the current period's depreciation expense.

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CAPITAL ASSETS (continued)**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 709,744	\$ -	\$ -	\$ 709,744
Capital assets being depreciated				
Land improvements	34,727	-	-	34,727
Buildings	2,845,307	-	-	2,845,307
Office equipment and furniture	22,154	-	-	22,154
Water supply system improvements	5,172,617	-	-	5,172,617
Village lateral lines	2,670,322	-	-	2,670,322
Paint creek interceptor	3,126,504	230,067	-	3,356,571
Machinery and equipment	439,257	36,780	-	476,037
Total capital assets being depreciated	14,310,888	266,847	-	14,577,735
Less accumulated depreciation for:				
Land improvements	(33,475)	(626)	-	(34,101)
Buildings	(847,844)	(71,133)	-	(918,977)
Office equipment and furniture	(22,154)	-	-	(22,154)
Water supply system improvements	(3,061,472)	(133,745)	-	(3,195,217)
Village lateral lines	(2,670,322)	-	-	(2,670,322)
Paint creek interceptor	(1,322,395)	(61,230)	-	(1,383,625)
Machinery and equipment	(343,954)	(14,365)	-	(358,319)
Total accumulated depreciation	(8,301,616)	(281,099)	-	(8,582,715)
Net capital assets being depreciated	6,009,272	(14,252)	-	5,995,020
Total net capital assets	\$ 6,719,016	\$ (14,252)	\$ -	\$ 6,704,764

Depreciation expense was charged to the following business-type activities:

Water system	\$ 219,869
Sewer system	61,230
	<u>\$ 281,099</u>

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CAPITAL ASSETS (continued)**

COMPONENT UNIT

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>Downtown Development Authority</b>				
Capital assets not being depreciated				
Land	\$ 1,395,050	\$ -	\$ -	\$ 1,395,050
Capital assets being depreciated				
Land improvements	1,642,971	-	-	1,642,971
Street lighting	84,181	-	-	84,181
Equipment and furniture	17,314	-	-	17,314
Total capital assets being depreciated	1,744,466	-	-	1,744,466
Less accumulated depreciation for:				
Land improvements	(970,293)	(108,936)	-	(1,079,229)
Street lighting	(56,215)	(3,996)	-	(60,211)
Equipment and furniture	(17,314)	-	-	(17,314)
Total accumulated depreciation	(1,043,822)	(112,932)	-	(1,156,754)
Net capital assets being depreciated	700,644	(112,932)	-	587,712
Total net capital assets	<u>\$ 2,095,694</u>	<u>\$ (112,932)</u>	<u>\$ -</u>	<u>\$ 1,982,762</u>

**NOTE 5 - LONG-TERM DEBT**

The following is a summary of changes in long-term debt (including current portion) of the Village for the year ended June 30, 2019.

PRIMARY GOVERNMENT

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amounts Due in One Year
<b>Governmental Activities</b>					
General Obligation Bonds					
2005 Capital Improvement Bonds	\$ 435,574	\$ -	\$ (212,128)	\$ 223,446	\$ 223,446
2015 Capital Improvement Bonds	675,000	-	(50,000)	625,000	75,000
Other debt					
Compensated absences	51,199	30,437	(23,668)	57,968	57,968
Total Governmental Activities	1,161,773	30,437	(285,796)	906,414	356,414

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - LONG-TERM DEBT (continued)**

PRIMARY GOVERNMENT (continued)

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amounts Due in One Year
<b>Business-type Activities</b>					
Direct Borrowings and Direct Placements					
1998 DWRP Bonds	\$ 120,000	\$ -	\$ (120,000)	\$ -	\$ -
2010 Oakland - Macomb Drain Bonds	211,467	-	(13,913)	197,554	14,316
2010B Oakland - Macomb Drain Bonds	54,675	-	(3,392)	51,283	3,564
2011 Oakland - Macomb Drain Bonds	301,843	-	(15,600)	286,243	15,953
2013 Oakland - Macomb Drain Bonds	687,446	-	(34,351)	653,095	35,015
2014A Oakland - Macomb Drain Bonds	101,409	-	(4,769)	96,640	4,848
2015 Oakland - Macomb Drain Bonds	211,877	-	(9,483)	202,394	9,754
2017 Clinton River WRRF Drain Bonds	-	230,067	-	230,067	8,970
General Obligation Bonds					
2008 Refunding Bonds	295,000	-	(100,000)	195,000	-
2017 Capital Improvement Refunding Bonds	1,441,300	-	(110,050)	1,331,250	-
2017 Capital Improvement Refunding Bonds Premium	68,955	-	(6,895)	62,060	-
Other debt					
Compensated absences	-	5,431	(1,747)	3,684	3,684
Total Business-type Activities	<u>3,493,972</u>	<u>235,498</u>	<u>(420,200)</u>	<u>3,309,270</u>	<u>96,104</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 4,655,745</u>	<u>\$ 265,935</u>	<u>\$ (705,996)</u>	<u>\$ 4,215,684</u>	<u>\$ 452,518</u>

COMPONENT UNIT

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amounts Due in One Year
Downtown Development Authority					
General Obligation Bonds					
2005 Capital Improvement Bonds	\$ 139,380	\$ -	\$ (67,872)	\$ 71,508	\$ 71,508
2017 Capital Improvement Refunding Bonds	632,200	-	(88,450)	543,750	-
2017 Capital Improvement Refunding Bonds Premium	28,165	-	(2,816)	25,349	-
TOTAL COMPONENT UNIT	<u>\$ 799,745</u>	<u>\$ -</u>	<u>\$ (159,138)</u>	<u>\$ 640,607</u>	<u>\$ 71,508</u>

PRIMARY GOVERNMENT

Governmental Activities

Significant details regarding outstanding long-term debt (including current portion) are presented below:

\$2,500,000 2005 General Obligation Capital Improvement Limited Tax Bonds, dated June 1, 2005, due in an annual installment of \$223,446 on March 1, 2020, with interest of 4.15% , payable semi-annually. \$ 223,446

\$750,000 2015 General Obligation Capital Improvement Limited Tax Bonds, dated March 1, 2015, due in annual installments ranging from \$75,000 to \$125,000 through January 1, 2025, with interest of 2.45%, payable semi-annually. 625,000

Total Governmental Activities \$ 848,446

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - LONG-TERM DEBT (continued)**

PRIMARY GOVERNMENT (continued)

Business-type Activities

\$1,100,000 2008 Refunding Bonds, dated July 1, 2008, due in annual installments ranging from \$95,000 to \$100,000 through July 1, 2021, with interest ranging from 4.00% to 4.25%, payable semi-annually.	\$ 195,000
\$299,848 Oakland-Macomb Interceptor Drain Drainage District Bond, Series 2010, dated January 22, 2010, due in annual installments ranging from \$14,316 to \$18,802 through April 1, 2031, with interest of 2.50%, payable semi-annually.	197,554
\$77,043 Oakland-Macomb Interceptor Drain Drainage District Bond, Series 2010B, dated May 1, 2010, due in annual installments ranging from \$3,565 to \$5,978 through April 1, 2030, with interest ranging from 4.70% to 5.90%, payable \$3,992 semi-annually.	51,283
\$360,433 Oakland-Macomb Interceptor Drain Drainage District Bond, Series 2011, dated December 16, 2011, due in annual installments ranging from \$15,953 to \$22,518 through April 1, 2032, with interest of 2.50%, payable semi-annually.	286,243
\$786,515 Oakland-Macomb Interceptor Drain Drainage District Bond, Series 2013, dated December 16, 2013, due in estimated annual installments ranging from \$35,015 to \$47,150 through October 1, 2034, with interest of 2.00%, payable semi-annually.	653,095
\$114,998 Oakland-Macomb Interceptor Drain Drainage District Bond, Series 2014A, dated October 28, 2014, due in annual installments ranging from \$4,848 to \$7,550 through October 1, 2034, with interest ranging from 2.00% to 3.125%, payable semi-annually.	96,640
\$230,030 Oakland-Macomb Interceptor Drain Drainage District Bond, Series 2015, dated April 9, 2015, due in annual installments ranging from \$9,754 to \$14,495 through April 1, 2036, with interest of 2.50%, payable semi-annually.	202,394
\$2,180,000 Village of Oxford Capital Improvement Refunding Bonds, Series 2017, dated June 1, 2017, due in annual installments ranging from \$110,050 to \$170,400 through July 1, 2028, with interest of 3.00%, payable semi-annually.	1,331,250
\$230,067 Oakland-Clinton Interceptor Drain Drainage District Bond, Series 2017, dated October 1, 2017, due in annual installments ranging from \$8,970 to \$14,430 through October 1, 2038, with interest of 2.50%, payable semi-annually.	230,067
Total Business-type Activities	<u>3,243,526</u>
TOTAL PRIMARY GOVERNMENT	<u><u>\$ 4,091,972</u></u>

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - LONG-TERM DEBT (continued)**

COMPONENT UNIT

\$800,000 2005 General Obligation Capital Improvement Limited Tax Bonds, dated June 1, 2005, due in an annual installment of \$71,508 March 1, 2020, with interest of 4.15%, payable semi-annually.	\$ 71,508
\$2,180,000 Village of Oxford Capital Improvement Refunding Bonds, Series 2017, dated June 1, 2017, due in annual installments ranging from \$44,950 to \$69,600 through July 1, 2028, with interest of 3.00%, payable semi-annually.	<u>543,750</u>
TOTAL COMPONENT UNIT	<u><u>\$ 615,258</u></u>

Compensated Absences

Individual employees have vested rights upon termination of employment to receive payments for unused sick/vacation time. The dollar amounts of these vested rights including related payroll taxes, which have been recorded in the government-wide financial statements, amounted to \$57,968 in the governmental activities and \$3,684 in the business-type activities at June 30, 2019. Compensated absences for governmental activities are normally liquidated by the General Fund, and compensated absences for business-type activities are liquidated by the Water and Sewer Funds.

Advance Refunding - Prior

On July 1, 2008, the Village defeased a portion of the 1996 Water Revenue Bonds, which were due and payable through July 1, 2021. This was accomplished by establishing an irrevocable trust with an escrow agent composed of cash and U.S. Government Securities sufficient to meet the applicable principal and interest payments. The Village issued the 2008 Refunding Bonds in the amount of \$1,100,000. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the Village's financial statements. At June 30, 2019, bonds due and payable through July 1, 2021, for the 1996 Water Revenue Bonds in the amount of \$300,000 are considered defeased.

On June 15, 2017, the Village defeased a portion of the 2008A Capital Improvement Bonds - Water Fund which were due and payable July 1, 2018, through July 1, 2028, and a portion of the 2008 Capital Improvement Bonds - DDA Fund, which were due and payable July 1, 2018, through July 1, 2028. This was accomplished by establishing an irrevocable trust with an escrow agent composed of cash and U.S. government securities sufficient to meet the applicable principal and interest obligations. The Village issued 2017 Capital Improvement Refunding Bonds in the amount of \$2,180,000. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the Village's financial statements. At June 30, 2019, bonds due and payable through July 1, 2028, for the 2008A Capital Improvement Bonds - Water Fund in the amount of \$1,350,000 and for 2008 Capital Improvement Bonds - DDA Fund in the amount of \$555,000 are considered defeased.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - LONG-TERM DEBT (continued)**

The annual requirements to pay the debt principal and interest outstanding for the bonds payable are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities				Component Unit	
	General Obligation Bonds		General Obligation Bonds		Direct Borrowings and Direct Placements		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 298,446	\$ 24,587	\$ -	\$ -	\$ 92,420	\$ 91,125	\$ 71,508	\$ 19,954
2021	100,000	13,475	213,600	26,105	94,615	55,404	46,400	15,617
2022	100,000	11,025	237,000	20,284	96,865	50,994	58,000	14,051
2023	100,000	8,575	142,000	16,135	99,239	46,523	58,000	12,311
2024	125,000	6,125	142,000	14,005	101,754	41,981	58,000	10,571
2025-2029	125,000	3,063	791,650	36,583	547,405	136,140	323,350	25,034
2030-2034	-	-	-	-	533,010	42,310	-	-
2035-2039	-	-	-	-	151,968	24	-	-
	<u>\$ 848,446</u>	<u>\$ 66,850</u>	<u>\$ 1,526,250</u>	<u>\$ 113,112</u>	<u>\$ 1,717,276</u>	<u>\$ 464,501</u>	<u>\$ 615,258</u>	<u>\$ 97,538</u>

**NOTE 6 - DEFINED BENEFIT PENSION PLAN**

Plan Description

The Village's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan's Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing MERS website at [www.mersofmich.com](http://www.mersofmich.com).

Summary of Significant Accounting Policies

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The MERS plan covers full-time general employees (closed to new hires) and employees hired after July 1, 2012 (open to new hires) at the Village.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Benefits Provided (continued)

Retirement benefits for employees are calculated at 2.50% of the employee's five-year final average compensation times the employee's years of service with a maximum of 80% of final average compensation. Normal retirement age is 60 with an unreduced benefit at age 55 with 30 years of service or reduced benefit at age 50 with 25 years of service or age 55 with 15 years of service. Deferred retirement benefits vest after 10 years of credited service but are not paid until the date retirement would have occurred had the member remained an employee. Employees are eligible for non-duty disability benefits after 10 years of service and for duty related disability benefits upon hire. Disability benefits are determined in the same manner as retirement benefits but are payable immediately and if duty-related without an actuarial reduction for retirement before age 60 is not applied. An employee who leaves service may withdraw his or her contributions, plus any accrued interest.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the Village Council, generally after negotiations of these terms with the affected unions. Benefits terms may be subjected to binding arbitration in certain circumstances.

At the December 31, 2018, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	10
Active employees	<u>8</u>
Total employees covered by MERS	<u><u>24</u></u>

Contributions

The Village is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended June 30, 2019, the active employee contribution rates were 2.00% of annual payroll for the general employee division and 5.00% for the employees hired after July 1, 2012 division. The Village's contribution rate was 11.65% of annual payroll for active employees hired after July 1, 2012.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Net Pension Liability (continued)

Changes in the net pension liability during the measurement year were as follows:

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balances at December 31, 2017	\$ 3,416,232	\$ 2,230,546	\$ 1,185,686
Changes for the Year			
Service cost	46,153	-	46,153
Interest on total pension liability	268,845	-	268,845
Changes in benefits	1,254	-	1,254
Difference between expected and actual experience	(23,000)	-	(23,000)
Employer contributions	-	134,767	(134,767)
Employee contributions	-	9,363	(9,363)
Net investment (loss)	-	(87,877)	87,877
Benefit payments, including employee refunds	(157,490)	(157,490)	-
Administrative expense	-	(4,329)	4,329
Net changes	<u>135,762</u>	<u>(105,566)</u>	<u>241,328</u>
Balances at December 31, 2018	<u>\$ 3,551,994</u>	<u>\$ 2,124,980</u>	<u>\$ 1,427,014</u>

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the employer recognized pension expense of \$156,564. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 16,769	\$ 38,183
Changes in assumptions	-	35,368
Net difference between projected and actual earnings on pension plan investments	158,698	-
Contributions subsequent to the measurement date*	<u>70,570</u>	<u>-</u>
Total	<u>\$ 246,037</u>	<u>\$ 73,551</u>

\* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2020.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$70,570), which will impact the net pension liability in fiscal year 2019, rather than pension expense.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense</u>
2020	\$ 16,269
2021	448
2022	32,077
2023	53,122

Actuarial Assumptions

The total pension liability in the December 31, 2018, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary increases: 3.75% in the long-term plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 7.75%, net of investment expenses, including inflation.

The mortality table used to project the mortality experience of non-disabled plan members is a 50% Male - 50% Female blend of the following tables: 1. the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%, 2. the RP-2014 Employee Mortality Tables, and 3. the RP-2014 Juvenile Mortality Tables. The mortality table used to project the mortality experience of disabled plan members is a 50% Male - 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the valuation were based on the results of the 2009-2013 Five-Year Experience Study.

Discount Rate

The discount rate used to measure the total pension liability is 8.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Projected Cash Flows

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	55.50%	6.15%
Global Fixed Income	18.50%	1.26%
Real Assets	13.50%	7.22%
Diversifying Strategies	12.50%	5.00%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Village, calculated using the discount rates of 8.00%, as well as what the Village's net pension liability would be using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	\$ 1,847,796	\$ 1,427,014	\$ 1,068,284

**NOTE 7 - DEFINED CONTRIBUTION PENSION PLAN**

Certain management positions have opted out of the defined benefit pension plan for an informal defined contribution pension benefit administered by the Village. The Village Council established the informal plans through employment contracts to make contributions to pension accounts of the employees' choosing. Amendments to the informal plans may be made through contract negotiations. The contribution rates are based on individual employment contracts ranging from 4.5% to 11.5%.

The Village's total payments to the defined contribution plans for the fiscal year were \$23,812.

**NOTE 8 - RISK MANAGEMENT**

The Village is exposed to various risks of loss for property, liability, wrongful acts, automobile, and crime losses for which the Village carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - RISK MANAGEMENT (continued)**

The Village participates in a State pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for workers' compensation claims. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The Village has not been informed of any special assessments being required.

**NOTE 9 - CONSTRUCTION CODE FEES**

In accordance with Michigan Public Act 245 of 1999, the Village is required to maintain an accounting system that separately accumulates revenues and expenditures related to the building department function.

As required under provisions of the Act, the Village adopted this accounting treatment effective January 1, 2000. The following is a summary of the activity for the year ended June 30, 2019:

REVENUES		
Permits	\$	51,363
EXPENDITURES		
Salaries and wages		81,571
Supplies and other		585
		82,156
TOTAL EXPENDITURES		82,156
EXCESS OF REVENUES (UNDER) EXPENDITURES		(30,793)
PRIOR CUMULATIVE EXCESS OF REVENUES (UNDER) EXPENDITURES		(82,219)
CUMULATIVE EXCESS OF REVENUES (UNDER) EXPENDITURES		\$ (113,012)

**NOTE 10 - DETAILS OF FUND BALANCE CLASSIFICATIONS**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, established fund balance classifications that comprise a hierarchy based on primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources in governmental funds. The following are the five classifications under this standard:

*Nonspendable* - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

*Restricted* - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - DETAILS OF FUND BALANCE CLASSIFICATIONS (continued)**

*Committed* - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority (i.e., Board, Council, etc.).

*Assigned* - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

*Unassigned* - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

The formal action that is required to be taken to establish a fund balance commitment is a resolution by the Village Council, the highest level of decision-making authority. If a fund balance commitment is made, the commitment remains in effect until a resolution is made to remove it.

For assigned fund balance, the Village of Oxford has not approved a policy indicating who is authorized to assign amounts to a specific purpose. In the absence of such a policy, the authority to assign fund balance remains with the Village Council.

The Village of Oxford has not formally adopted a policy that determines when both restricted and unrestricted fund balances are available which should be used first. In the absence of such a policy, resources with the highest level of restriction will be used first.

**NOTE 11 - CONTINGENT LIABILITIES**

There are legal actions pending against the Village. Due to the inconclusive nature of the actions, it is not possible for Village management to determine the probable outcome or a reasonable estimate of the potential liability, if any. These actions, for which a reasonable estimate can be determined of the potential liability, if any, are considered by Village management and legal counsel to be immaterial.

**NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The Statement establishes criteria for identifying fiduciary activities for all state and local governments, focusing on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries for whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the 2019-2020 fiscal year.

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the 2020-2021 fiscal year.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 13 - SUBSEQUENT EVENT**

In July 2019, the Village Council approved a contract of approximately \$178,623 for the purpose of paving West Burdick Street. Existing fund balance and future revenues are anticipated to be sufficient to pay for this project.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF OXFORD  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>			Variances with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 1,124,556	\$ 1,124,556	\$ 1,118,652	\$ (5,904)
Licenses and permits	53,920	53,920	73,212	19,292
Intergovernmental	396,400	396,400	460,447	64,047
Charges for services	217,312	217,312	235,239	17,927
Fines and forfeitures	42,000	42,000	84,477	42,477
Interest and rentals	3,600	3,600	7,435	3,835
Other	27,438	27,438	53,772	26,334
<b>TOTAL REVENUES</b>	<b>1,865,226</b>	<b>1,865,226</b>	<b>2,033,234</b>	<b>168,008</b>
<b>EXPENDITURES</b>				
Current				
General government				
Council	6,508	7,008	5,958	1,050
Administration	60,350	64,914	63,179	1,735
Clerk	57,169	74,091	73,505	586
Board of review	250	250	513	(263)
Treasurer	27,481	30,046	29,330	716
Building and grounds	35,571	41,848	41,532	316
Attorney	60,200	86,200	28,760	57,440
Beautification Commission	120	120	20	100
<b>Total general government</b>	<b>247,649</b>	<b>304,477</b>	<b>242,797</b>	<b>61,680</b>
Public safety				
Police	689,587	767,575	764,361	3,214
Drug forfeiture	1,000	1,000	-	1,000
Communications	-	-	3,200	(3,200)
Code enforcement	23,270	20,414	18,653	1,761
Building inspection	104,442	87,872	87,800	72
<b>Total public safety</b>	<b>818,299</b>	<b>876,861</b>	<b>874,014</b>	<b>2,847</b>
Public works				
Department of public works	220,576	281,838	264,850	16,988
Street lighting	48,000	33,600	36,111	(2,511)
Refuse collection	173,321	182,356	182,007	349
<b>Total public works</b>	<b>441,897</b>	<b>497,794</b>	<b>482,968</b>	<b>14,826</b>

**VILLAGE OF OXFORD  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE (continued)  
YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>			Variances with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
EXPENDITURES (continued)				
Current (continued)				
Community and economic development				
Planning	\$ 30,848	\$ 31,118	\$ 24,273	\$ 6,845
Public relations	8,500	2,500	2,500	-
	<u>39,348</u>	<u>33,618</u>	<u>26,773</u>	<u>6,845</u>
Total community and economic development	39,348	33,618	26,773	6,845
Recreation and culture				
Parks and recreation	42,190	46,060	46,844	(784)
Civic center	29,977	52,058	49,295	2,763
	<u>72,167</u>	<u>98,118</u>	<u>96,139</u>	<u>1,979</u>
Total recreation and culture	72,167	98,118	96,139	1,979
Other	23,505	25,205	22,326	2,879
	<u>1,642,865</u>	<u>1,836,073</u>	<u>1,745,017</u>	<u>91,056</u>
TOTAL EXPENDITURES	1,642,865	1,836,073	1,745,017	91,056
EXCESS OF REVENUES OVER EXPENDITURES	222,361	29,153	288,217	259,064
OTHER FINANCING SOURCES (USES)				
Transfers in	77,314	78,119	-	(78,119)
Transfers out	(299,675)	(299,675)	(295,694)	3,981
	<u>(222,361)</u>	<u>(221,556)</u>	<u>(295,694)</u>	<u>(74,138)</u>
TOTAL OTHER FINANCING SOURCES (USES)	(222,361)	(221,556)	(295,694)	(74,138)
NET CHANGE IN FUND BALANCE	-	(192,403)	(7,477)	184,926
Fund balance, beginning of year	672,373	672,373	672,373	-
Fund balance, end of year	<u>\$ 672,373</u>	<u>\$ 479,970</u>	<u>\$ 664,896</u>	<u>\$ 184,926</u>

**VILLAGE OF OXFORD  
MAJOR STREET FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>			Variances with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 190,000	\$ 190,000	\$ 333,234	\$ 143,234
Interest and rentals	-	-	2,415	2,415
TOTAL REVENUES	190,000	190,000	335,649	145,649
EXPENDITURES				
Current				
Public works	139,810	143,612	111,901	31,711
EXCESS OF REVENUES OVER EXPENDITURES	50,190	46,388	223,748	177,360
OTHER FINANCING (USES)				
Transfers out	(50,190)	(50,190)	-	50,190
NET CHANGE IN FUND BALANCE	-	(3,802)	223,748	227,550
Fund balance, beginning of year	267,973	267,973	267,973	-
Fund balance, end of year	<u>\$ 267,973</u>	<u>\$ 264,171</u>	<u>\$ 491,721</u>	<u>\$ 227,550</u>

**VILLAGE OF OXFORD**  
**SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST FIVE MEASUREMENT PERIODS (ULTIMATELY TEN MEASUREMENT PERIODS WILL BE DISPLAYED)**  
**(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)**

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 46,153	\$ 49,046	\$ 63,101	\$ 59,811	\$ 62,748
Interest	268,845	259,814	248,267	229,045	218,175
Changes of benefit terms	1,254	(1,020)	(621)	-	-
Difference between expected and actual experience	(23,000)	(38,977)	(8,400)	(83,837)	-
Changes in assumptions	-	-	-	176,848	-
Benefit payments, including employee refunds	(157,490)	(151,574)	(150,391)	(150,391)	(150,391)
Other	-	1	-	7,158	6,817
Net Change in Total Pension Liability	135,762	117,290	151,956	238,634	137,349
Total Pension Liability, beginning	3,416,232	3,298,942	3,146,986	2,908,352	2,771,003
Total Pension Liability, ending	<u>\$ 3,551,994</u>	<u>\$ 3,416,232</u>	<u>\$ 3,298,942</u>	<u>\$ 3,146,986</u>	<u>\$ 2,908,352</u>
	2018	2017	2016	2015	2014
Plan Fiduciary Net Position					
Contributions - employer	\$ 134,767	\$ 128,054	\$ 119,238	\$ 111,938	\$ 109,427
Contributions - employee	9,363	7,727	5,476	5,076	5,065
Net investment income (loss)	(87,877)	263,396	206,345	(28,149)	113,716
Benefit payments, including employee refunds	(157,490)	(151,574)	(150,391)	(150,391)	(150,391)
Administrative expense	(4,329)	(4,167)	(4,073)	(4,110)	(4,176)
Other	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(105,566)	243,436	176,595	(65,636)	73,641
Plan Fiduciary Net Position, beginning	2,230,546	1,987,110	1,810,515	1,876,151	1,802,510
Plan Fiduciary Net Position, ending	<u>\$ 2,124,980</u>	<u>\$ 2,230,546</u>	<u>\$ 1,987,110</u>	<u>\$ 1,810,515</u>	<u>\$ 1,876,151</u>
Village's Net Pension Liability	<u>\$ 1,427,014</u>	<u>\$ 1,185,686</u>	<u>\$ 1,311,832</u>	<u>\$ 1,336,471</u>	<u>\$ 1,032,201</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	60%	65%	60%	58%	65%
Covered Employee Payroll	\$ 451,627	\$ 443,494	\$ 584,748	\$ 572,969	\$ 603,062
Village's Net Pension Liability as a percentage of Covered Employee Payroll	316.0%	267.4%	224.0%	233.3%	171.2%

**VILLAGE OF OXFORD**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**LAST FIVE FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)**  
**(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial determined contributions	\$ 141,144	\$ 131,150	\$ 125,964	\$ 111,072	\$ 110,268
Contributions in relation to the actuarially determined contribution	<u>141,144</u>	<u>131,150</u>	<u>125,964</u>	<u>112,407</u>	<u>109,427</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,335)</u>	<u>\$ 841</u>
Covered employee payroll	\$ 458,055	\$ 485,293	\$ 557,349	\$ 594,649	\$ 565,433
Contributions as a percentage of covered employee payroll	31%	27%	23%	19%	19%

**VILLAGE OF OXFORD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2019**

**NOTE 1 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Michigan Public Act 621 of 1978, Sections 18 and 19, as amended, provides that a local government unit not incur expenditures in excess of the amount appropriated.

The Village's budgeted expenditures in the General Fund have been shown at the functional classification level. The approved budgets of the Village have been adopted at the activity level for the General Fund and the total expenditure level for the Special Revenue Funds.

During the year ended June 30, 2019, the Village incurred expenditures in the General Fund in excess of the amounts appropriated as follows:

	<u>Amounts Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
General Fund			
General government			
Board of review	\$ 250	\$ 513	\$ 263
Public safety			
Communication	-	3,200	3,200
Public works			
Street lighting	33,600	36,111	2,511
Recreation and culture			
Parks and recreation	46,060	46,844	784

**NOTE 2 - DEFINED BENEFIT PENSION PLAN**

Changes in benefit terms: The participant contribution rate was increased from 1.5% to 2% in plan year 2018.

Changes in assumptions: There were no changes of assumptions in plan year 2018.

## **OTHER SUPPLEMENTARY INFORMATION**

**VILLAGE OF OXFORD  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2019**

	Special Revenue	Capital Project	
	Local Street Fund	Capital Projects Fund	Total
<b>ASSETS</b>			
Pooled cash, cash equivalents, and investments	\$ 80,232	\$ 55,170	\$ 135,402
Due from other governmental units	16,147	-	16,147
Other receivables	67	49	116
<b>TOTAL ASSETS</b>	<b>\$ 96,446</b>	<b>\$ 55,219</b>	<b>\$ 151,665</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,850	\$ -	\$ 1,850
Accrued liabilities	416	-	416
Unearned revenue	359	-	359
<b>TOTAL LIABILITIES</b>	<b>2,625</b>	<b>-</b>	<b>2,625</b>
<b>FUND BALANCES</b>			
Restricted			
Streets and highways	93,821	-	93,821
Assigned			
Infrastructure improvements	-	55,219	55,219
<b>TOTAL FUND BALANCES</b>	<b>93,821</b>	<b>55,219</b>	<b>149,040</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 96,446</b>	<b>\$ 55,219</b>	<b>\$ 151,665</b>

**VILLAGE OF OXFORD  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2019**

	<u>Special Revenue Local Street Fund</u>	<u>Capital Project Capital Projects Fund</u>	<u>Total</u>
REVENUES			
Intergovernmental	\$ 104,333	\$ -	\$ 104,333
Interest and rentals	331	261	592
<b>TOTAL REVENUES</b>	<b>104,664</b>	<b>261</b>	<b>104,925</b>
EXPENDITURES			
Current			
Public works	99,477	-	99,477
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,187</b>	<b>261</b>	<b>5,448</b>
Fund balances, beginning of year	88,634	54,958	143,592
Fund balances, end of year	<u>\$ 93,821</u>	<u>\$ 55,219</u>	<u>\$ 149,040</u>

**VILLAGE OF OXFORD  
 COMPONENT UNIT FUNDS  
 COMBINING BALANCE SHEET - DOWNTOWN DEVELOPMENT AUTHORITY (DDA)  
 JUNE 30, 2019**

	General Fund	Debt Service Fund	Total
<b>ASSETS</b>			
Cash, cash equivalents, and pooled investments	\$ 368,433	\$ -	\$ 368,433
Taxes receivable, net	7,415	-	7,415
Accounts receivable	343	-	343
	<u>\$ 376,191</u>	<u>\$ -</u>	<u>\$ 376,191</u>
<b>TOTAL ASSETS</b>	<u>\$ 376,191</u>	<u>\$ -</u>	<u>\$ 376,191</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 4,897	\$ -	\$ 4,897
Unearned revenue	7,415	-	7,415
	<u>12,312</u>	<u>-</u>	<u>12,312</u>
<b>TOTAL LIABILITIES</b>	<u>12,312</u>	<u>-</u>	<u>12,312</u>
<b>FUND BALANCES</b>			
Unassigned	363,879	-	363,879
	<u>363,879</u>	<u>-</u>	<u>363,879</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 376,191</u>	<u>\$ -</u>	<u>\$ 376,191</u>

**VILLAGE OF OXFORD  
 COMPONENT UNIT FUNDS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS COMBINING  
 BALANCE SHEET TO THE STATEMENT OF NET POSITION -  
 DOWNTOWN DEVELOPMENT AUTHORITY (DDA)  
 JUNE 30, 2019**

**Total fund balances - DDA governmental funds** \$ 363,879

Amounts reported for component units in the statement of net position are different because:

Capital assets used are not financial resources and therefore are not reported as assets at the fund level.

The cost of capital assets is	\$ 3,139,516	
Accumulated depreciation is	<u>(1,156,754)</u>	
Capital assets, net		1,982,762

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end.

Bonds payable and related items	(640,607)	
Accrued interest payable	<u>(989)</u>	
		<u>(641,596)</u>

**Net position of DDA governmental activities** \$ 1,705,045

**VILLAGE OF OXFORD  
 COMPONENT UNIT FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 DOWNTOWN DEVELOPMENT AUTHORITY (DDA)  
 YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Property taxes	\$ 406,311	\$ -	\$ 406,311
Intergovernmental	2,323	-	2,323
Interest and rentals	4,229	-	4,229
Other	13,566	-	13,566
	<u>426,429</u>	<u>-</u>	<u>426,429</u>
<b>TOTAL REVENUES</b>	<b>426,429</b>	<b>-</b>	<b>426,429</b>
<b>EXPENDITURES</b>			
Current			
Community and economic development	324,859	-	324,859
Debt service	-	136,233	136,233
Capital outlay	13,370	-	13,370
	<u>338,229</u>	<u>136,233</u>	<u>474,462</u>
<b>TOTAL EXPENDITURES</b>	<b>338,229</b>	<b>136,233</b>	<b>474,462</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>88,200</b>	<b>(136,233)</b>	<b>(48,033)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	122,840	122,840
Transfers out	(122,840)	-	(122,840)
	<u>(122,840)</u>	<u>122,840</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(122,840)</b>	<b>122,840</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(34,640)</b>	<b>(13,393)</b>	<b>(48,033)</b>
Fund balances, beginning of year	<u>398,519</u>	<u>13,393</u>	<u>411,912</u>
Fund balances, end of year	<u><u>\$ 363,879</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 363,879</u></u>

**VILLAGE OF OXFORD  
 COMPONENT UNIT FUNDS  
 RECONCILIATION OF THE COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES -  
 DOWNTOWN DEVELOPMENT AUTHORITY (DDA)  
 YEAR ENDED JUNE 30, 2019**

**Net change in fund balances - total DDA governmental funds** \$ (48,033)

Amounts reported in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Depreciation expense (112,932)

Repayment of long-term debt is reported as expenditures in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Debt principal retirement and related items 159,138

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Change in accrued interest payable 928

**Change in net position of DDA governmental activities** \$ (899)

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable President and  
Members of the Village Council  
Village of Oxford, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Oxford, Michigan (the Village), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated November 27, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maney Costeiran PC*

November 27, 2019